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Robert W. Quinn, Jr.  
Director - Federal Government Affairs

EX PARTE NOT LATE FILED

Suite 1000  
1120 20th St., NW  
Washington, DC 20036  
202 457-3851  
FAX 202 457-2545

December 2, 1997

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M street, NW, Room 222  
Washington, D.C. 20554

RECEIVED

DEC 2 - 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: Ex Parte meeting  
CC Dkt. No. 97-208 Applications by BellSouth Telecommunications, Inc. and  
BellSouth Long Distance, Inc. for Provisioning of In-Region, interLATA Service in  
South Carolina.

Dear Ms. Roman Salas:

On Monday December 1, 1997, Kenneth P. McNeely, Stephen C. Garavito, Jay Bradbury, Betsy Brady and I of AT&T met with Richard Metzger, Melissa Newman, Blaise Scinto, and Richard Lerner of the Common Carrier Bureau. The purpose of this meeting was to discuss the issues raised in BellSouth's aforementioned application. In addition to the issues raised in AT&T's Comments, AT&T representatives also discussed BellSouth's proposal to require collocation as a prerequisite to a new entrant obtaining access to unbundled network element combinations and how that proposal will result in degraded customer service and will forestall competitive entry. Attached is an outline of the presentation submitted during the meeting by AT&T.

Two copies of this Notice are being submitted on the following business day to the secretary of the FCC in accordance with Section 1.1206(a)(4) of the Commission's rules.

Sincerely,

Attachments

cc: R. Metzger B. Scinto  
M. Newman R. Lerner

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# BellSouth's Section 271 Application for South Carolina

Application by BellSouth Telecommunications, Inc., and BellSouth Long  
Distance, Inc. for Authority to Provision In-Region, InterLATA  
Services in South Carolina, CC Docket No. 97-208

## BellSouth Has Maintained Significant Barriers to Entry in South Carolina

- Failure to provide cost-based interconnection and UNE prices.
- Failure to provide nondiscriminatory access to its OSSs.
- Failure to provide nondiscriminatory access to UNEs and combinations of UNEs.
- Failure to offer all services for resale in compliance with the Act.
- Failure to Provide Performance Measurements Which Demonstrate Parity

## The SGAT's UNE and Interconnection Prices Do Not Comply with the Act

- BellSouth has submitted no cost support.
- None of BellSouth's interim SGAT rates have been shown to be consistent with the Act and TELRIC principles.
- BellSouth's interim SGAT prices are not geographically deaveraged. }
- BellSouth seeks to impose separate, additional permanent charges for vertical features.
- BellSouth seeks even higher permanent rates.

## BellSouth Seeks Non-Forward-Looking Rates that Would Recover Embedded Costs

- BellSouth proposes a non-TELRIC compliant pricing methodology, which includes a “Residual Recovery Requirement” -- an explicit embedded cost recovery mechanism.
- BellSouth’s proposed “TELRIC” studies are based on historic -- rather than forward-looking, efficient -- architecture and technology assumptions.
  - Embedded loops
  - Manual vs. electronic processes
  - Historic accounting shared and common cost assumptions
  - Improper depreciation and fill factors

## BellSouth Seeks Significantly Higher, Non-Cost-Based Rates

- Loop (2-wire voice grade)
  - FCC Proxy \$17.07/month
  - SGAT \$18.53/month  
\$51.20 nonrecurring charge
  - BellSouth Proposed \$29.57/month  
\$75.75 nonrecurring charge
- Port with features (2-wire analog)
  - SGAT \$2.70/month (features free)  
\$51.20 nonrecurring charge
  - BellSouth Proposed \$10.90/month  
\$66.13 nonrecurring charge

## BellSouth Seeks Significantly Higher, Non-Cost-Based Rates

- OSS ordering charge - \$10.90 per electronic order

## BellSouth OSS Interfaces

- None of BellSouth's existing, region-wide resale interfaces provide nondiscriminatory, parity access to BellSouth's Operational Support Systems (OSS).
- BellSouth admits that it has not begun the OSS development needed to accommodate UNE combinations because it is "pursuing its legal disagreement with the FCC position." Stacy Aff. (OSS) Par. 60.



# BellSouth's Resale OSS Interfaces

- Pre-Ordering
  - LENS lacks functionality and is less efficient than BellSouth's retail systems.
  - LENS is a proprietary interface that BellSouth created, controls, and changes without any input from, or advance notice to, CLECs.
  - BellSouth has not provided the specifications necessary for a CLEC to integrate LENS into its own OSS.

# BellSouth's Resale OSS Interfaces

- Ordering
  - The current EDI version does not permit ordering of all resale services or UNEs. Critical information, such as rejection and jeopardy notices, is returned via manual fax. Most orders are processed manually.
- Maintenance and Repair
  - TAFI is not integrated with a CLEC's own OSS.
  - Current T1M1 (EBI) lacks the functionality to electronically support local circuits .

# BellSouth's Resale OSS Interfaces

- Billing
  - BellSouth has not yet produced accurate CABS billing for resale services.
  - BellSouth has not provided usage sensitive billing for UNEs.
  - BellSouth has not developed a method for providing access and terminating usage information to CLECs using unbundled local switching.

## OSS Interfaces - Lack of Performance Data

- BellSouth has not adequately tested access to its OSSs.
  - Despite repeated requests, BellSouth has not shared performance data regarding its OSS, i.e., the percentage of orders which electronically “flow through” its systems. Data produced in Florida indicates that most CLEC orders are handled manually.
  - Despite repeated requests, BellSouth has not provided data that compares actual installation intervals for BellSouth retail orders vs. CLEC orders.
  - BellSouth has not demonstrated that its interfaces can handle CLEC volumes -- experience indicates they cannot. As AT&T has increased its use of BellSouth’s OSS interfaces, critical BellSouth OSSs have crashed.

## BellSouth Has Failed to provide nondiscriminatory access to UNEs and combinations of UNEs.

- BellSouth's collocation proposal will degrade customer service
  - Creates outages for all CLEC customers
  - Adds points of failure (cross connects) to all CLEC customer lines
  - increased loop lengths creates potential loss on line and makes line testing much more difficult
- BellSouth's collocation proposal will forestall competitive entry
  - Availability of space must be determined at each central office
  - Construction delay
  - Manual central office work on each order
  - Exorbitant expense

## BellSouth Has Not Provided Resale Terms Which Comply With The Act

- BellSouth has submitted no data by which the Commission could find its resale rates compliant.
- BellSouth's methodology and resulting 14.8 % wholesale discount violates the Act.
- BellSouth refuses to offer contract service arrangements ("CSAs") at a wholesale discount in violation of the Act.
- BellSouth's other limitations on resale of CSAs violate the Act.

## The Limitations on Resale of CSAs Do Not Comply With The Act

- No Wholesale Discount
- Contract terms are available only to the contracted customers on the same rates, terms and conditions.
- CLECs are prohibited from aggregating customers to achieve volume or revenue triggers necessary for discounts.

## Performance Measurements

- BellSouth has failed to provide necessary parity performance and comparative data results despite repeated requests.
- Performance measurements and data submitted by BellSouth to date lack clarity and are misleading and inadequate.
- The minimal performance data submitted by BellSouth to date demonstrates lack of parity.



## BellSouth Has Failed to Provide Performance Measurements Necessary to Test Parity

- Average installation intervals
- Comparative data for UNEs
- Service order and provisioning intervals
- Held orders
- Timeliness of firm order confirmations
- Timeliness of order rejections
- Timeliness of order completion notification
- Bill timeliness, quality and accuracy

# BellSouth Steadfastly Refuses to Consider Other Equally Important Measurements

- Ordering and Provisioning
  - Jeopardy Interval
  - % Jeopardies
- UNE
  - Availability
  - Performance
- Other
  - Support Center Speed of Answer & Call Abandonment
  - OS & DA Speed of Answer
  - Network Performance

# BellSouth Measurements Are Inadequately Defined and Support Material Is Misleading

- BellSouth proposed measurements are vaguely defined -- data elements and business rules are not addressed.
- Measurements are unilaterally changed.
- Areas with potentially misleading information:
  - no agreement on use of Statistical Process Control
  - definition in SGAT is not identical to Interconnection Agreements
  - many measures listed but not reported
  - service delivery interval is really “offered” interval

# BellSouth's Data Does Not Establish Nondiscriminatory Performance

- Data based on statistical process control does not establish nondiscriminatory performance.
  - Statistical process control is not designed to detect discrimination.
  - BellSouth's proposed statistical process control would immunize it from discrimination claims.
  - BellSouth's own charts do not show nondiscriminatory performance.
- Use of target intervals is not appropriate.
- BellSouth has not demonstrated that its data is reliable.
- BellSouth has not agreed to appropriate enforcement

# BellSouth Data Provided In This Application Does Not Demonstrate Nondiscriminatory Support

- Data shows CLEC experience is consistently worse (13 of 32 measures in August) than BellSouth retail
- Many critical measures are at least 3 “Sigma” worse (6 of 32 measures in August)
  - consistent 3 sigma “worse” performance
  - Majority of CLEC orders missing provisioning dates
- Instances of measures that are deemed “worse” for three consecutive months are common.